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DATE: Feb. 13, 2013

TO: Connecticut Joint Insurance Committee

FROM: Timothy G. Russell, CPCU  
President, Professional Insurance Agents of Connecticut Inc.

RE: **OPPOSING PROPOSED BILL H.B. 5635**

I am writing on behalf of the Professional Insurance Agents of Connecticut Inc., an association representing more than 400-member professional, independent insurance agents who employ thousands of people throughout the state. We write to **oppose** Proposed Bill H.B. 5635, which seeks to require an insurance producer to provide a copy of the completed insurance application form to the applicant not later than five business days after such applicant applies for coverage.

PIACT supports the goals of this legislation, to ensure that an insurance purchaser is aware of all the information being submitted to a company regarding their application. However, because of the nature of many insurance transactions, this proposal is likely to have undesirable unintended consequences.

In many insurance purchase transactions, particularly commercial- and surplus-lines transactions, the submission process necessary to generate a quote does not immediately result in the generation of documentation like an application. In many insurance purchase situations, a form analogous to an application is only generated following the creation of a binding quote, which flows from the submission of underwriting information on an insurer's rating system.

In many other situations where documentation akin to application is created, this material is a producer's proprietary work product. This "application" is more than a simple sheet of paper or a standard ACORD form standing alone; this material can be the result of painstaking research on a property and its associated risks, including mapping, public history research and more. This work is necessary for the accuracy of underwriting, but beyond that, it serves a competitive purpose, as an insurer is more likely to accept a risk, or offer an appealing rate if a producer can back up his or her underwriting assertions with research. Being forced to disclose this work prior to binding can allow another producer to copy this work product and unjustly reap the benefits thereof.

Respectfully, we oppose this proposal.